

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION)
SERVICE CHANGES, 2012)
)

Docket No. N2012-1

**UNITED STATES POSTAL SERVICE INTERROGATORIES TO NATIONAL
ASSOCIATION OF LETTER CARRIERS, AFL-CIO, WITNESS CREW, NALC-T-1
USPS/NALC-T1—1-9**

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the Postal Service respectfully submits the following interrogatories and requests for production to NALC witness Crew: USPS/NALC-T1-1-9. Please refer to and apply the Instructions and Definitions attached hereto.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Kevin Calamoneri
Managing Counsel
Corporate and Postal Business Law

Daniel J. Foucheaux
Chief Counsel, Pricing & Product Support

Kenneth N. Hollies
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3083; Fax -3084
May 10, 2012

INSTRUCTIONS AND DEFINITIONS

A. Instructions

1. These interrogatories impose a continuing obligation to respond and to provide additional information as it becomes available.
2. If no information or documents are responsive to any of these interrogatories, please indicate the lack of responsive information or documents.
3. For each interrogatory, please identify the preparer or the person who supervised the response.
4. Please specify the interrogatory to which each document applies. If a document or narrative response applies to more than one interrogatory, please provide a cross reference.
5. For an interrogatory calling for the production of documents, please provide legible, true and complete copies of the documents. If a responsive document has been lost or destroyed, or is otherwise unavailable, please follow Instruction 11 below.
6. Where an interrogatory solicits a narrative response rather than the production of documents alone, a narrative response is required and the production of documents does not substitute for a narrative response.
7. These interrogatories are to be construed broadly to elicit all requested information which is discoverable under the Commission's Rules of Practice. Accordingly,
 - (a) The present tense includes the past tense and the past tense includes the present tense; and

(b) The singular includes the plural and the plural includes the singular.

8. If any responsive information is not available in the form requested, please provide the available information or documents which best respond to the interrogatory.

9. These interrogatories apply to all responsive information and documents in your possession, custody and control, or in the possession, custody or control of your attorneys, witnesses or other agents, from all files, wherever located, including active and inactive files and including electronic files.

10. If any responsive information or document is not in your possession, custody or control, but you know or believe that it exists, please identify the information or document and indicate to the best of your ability the location and custodian of the information or document.

11. If any document responsive to any of these interrogatories has been destroyed or is otherwise unavailable, please identify and describe:

- (a) The subject matter and content of the document;
- (b) All persons involved in the destruction or removal of the document;
- (c) The date of the document's destruction or removal; and
- (d) The reasons for the destruction or other unavailability of the document.

12. If you assert any claim of privilege or discovery immunity in response to any interrogatory, please identify each document withheld and state:

- (a) The document's title and type;
- (b) The privilege or immunity claimed and the basis for claiming such

privilege or immunity;

- (c) Each person who prepared, signed or transmitted the document;
- (d) Each person to whom the document, or any copy of the document was addressed or transmitted;
- (e) The date of the document; and
- (f) The subject matter of the document.

13. For each response which is generated by a computer or electronic data storage mechanism, please state:

- (a) The name of the file from which the response came;
- (b) How the data are stored (disks, tapes, etc.);
- (c) How the data are transmitted and received; and
- (d) The name of each person who collected the data or entered the data into the computer or electronic data storage mechanism.

14. For any interrogatory with subparts, please provide a complete separate response to each subpart as if the subpart was propounded separately.

15. If information or documents responsive to any of these interrogatories has previously been provided in this proceeding in response to an interrogatory by any participant, please provide a specific cross-reference. There is no need to make a duplicate response.

16. If you perceive any ambiguity in interpreting any interrogatory or any instruction or definition applicable to an interrogatory, please secure a clarification from counsel for the United States Postal Service as soon as the ambiguity is perceived.

B. Definitions

1. “Communication” means any correspondence, contact, discussion or exchange between any two or more persons. The term includes, but is not limited to, all documents, telephone conversations or face-to-face conversations, electronic mail, conferences or other meetings.

2. “Document” means any written, recorded, computer-stored, computer-generated or graphic material however stored, produced or reproduced. The term is to be construed to the full extent of the definition in Rule 34 of the Federal Rules of Civil Procedure. Any document that is not exactly identical to another document for any reason, including but not limited to marginal notations or deletions, is a separate document.

3. “Each” includes the term “every” and “every” includes the term “each.” “Any” includes the term “all” and “all” includes the term “any.” “And” includes the term “or” and “or” includes the term “and.”

4. “Identify” means to state as follows:

(a) With respect to a document and to the extent that the following information is not readily apparent from the document itself: (i) the document's title, date, author(s), signer(s), sender(s), addressee(s) and recipient(s); (ii) the type of document (e.g. letter, memorandum, agreement, invoice) its location and custodian; and (iii) a detailed description of its contents or principal terms and provisions.

(b) With respect to a communication and to the extent the following information is not readily apparent: (i) the time, date and place of the

communication; (ii) all maker(s) and recipient(s) of the communication; (iii) the mode of communication; (iv) the subject matter of the communication; and (v) any document generated in connection with the communication.

(c) With respect to a person and to the extent the following information is not readily apparent: (i) the person's full name; (ii) the person's employer, job title, and a description of the person's current duties and those duties at the time of deletion or destruction; and (iii) the person's business address.

5. "You" and "your" refers to you personally/professionally as a witness, your employer, or the party on whose behalf you testify, as indicated by the context of the question.

6. The terms "related to," "relating to" or "in relation to" mean being in any way relevant to, commenting on, consisting of, referring to, composing, comprising, discussing, evidencing, identifying, involving, reflecting, or underlying.

7. The terms "state," "describe" and "explain" call for answers independent from any documents that are required in response to these interrogatories. Such answers should be in a form (e.g., narrative, tabular) appropriate for a complete response to the interrogatory.

8. "USPS" or "Postal Service" refers to the United States Postal Service, including USPS Headquarters and any subordinate department, division, or office of the USPS, whether at the national, area, district or local

level. This definition includes the officers, directors, agents and employees of the United States Postal Service and its Board of Governors.

9. "Your testimony" refers to the written testimony submitted bearing your name in the instant proceeding, and may also embrace all responses in the way of documents, requests for admission or prosaic responses to questions formally docketed in this proceeding, depending upon the context of the question.

INTERROGATORIES

USPS/NALC-T1-1. You assert in footnote 1, page 4 of your testimony, that “speed of delivery is an important attribute of product quality,” later tying that assertion to First-Class Mail.

- a. Please provide any research, scientific or technical literature, or other authoritative source on which you rely to support this statement.
- b. If Network Rationalization achieves its goal of improving service performance and thereby makes the delivery of First-Class Mail more reliable, would that constitute an improvement in the quality of First-Class Mail service?

USPS/NALC-T1-2. On page 5 of your testimony, you assert “no one can know with certainty how much volume will be lost as a result of lower quality [First-Class Mail] service.”

- a. Assuming the network changes proposed by the Postal Service are implemented, can one measure “with certainty” how much First-Class Mail volume was caused by those changes? If so, how would one undertake that measurement and within what precision?
- b. Please describe in quantitative terms the what you mean by “with certainty.”
- c. How can one project how much volume change would ensue prior to implementing the network changes proposed by the Postal Service?
- d. Can market research project volume changes that would ensue from implementation of the network changes proposed by the Postal Service? Please explain your answer while addressing the range of uncertainty about any such projections.

USPS/NALC-T1-3. Your discussion on page 11 of the example in witness Elmore-Yalch’s Figure 41 asserts that if her procedures were changed to eliminate what you claim constitutes a flaw, that example would report volume changes four times larger. Please consider the following example that uses Figure 41 but with different data:

Figure 41' (prime): Further Example of Calculating Volume Change

Estimated 2012 Volume Using First-Class Mail	Estimated 2012 Mail if Revised FCM Standards Had Been in Place	% of Increase / Decrease in Volume Solely Attributable to Change to FCM Standards	Probability of Change (0–100 scale)	Adjusted Volume of First-Class Mail if FCM Standards Changes are Implemented*
100,000	90,000	10%	25%	99,750
* $(90,000 \text{ pieces of First-Class Mail After Change} - 100,000 \text{ pieces of First-Class Mail Before Change}) \times (.5) \times *.5 + 100,000 \text{ pieces of FCM Before Change} = 97,500 \text{ pieces of First-Class Mail if changes to First-Class Mail if changes to service standards are implemented.}$				

- a. If the flaw you claim exists were also removed from this example, what in your judgment would be the consequence in quantified terms?
- b. In your view, how significant or substantial is this change?

USPS/NALC-T1-4. Did you analyze the quantitative results presented by witness Elmore-Yalch, the data from which the results were aggregated, or the process by which results were developed?

- a. If not, why not?
- b. If so, what specifically did you review? Please respond in terms that identify specific pages, figures and/or tables; and if you also reviewed any library reference(s), please also identify them together with specific files therein.
- c. Did you develop any understanding of the proportion or count of respondents in the quantitative research who reported that the network proposals by the Postal Service would not trigger changes in their projected 2012 mail volumes versus those for whom the proposals would trigger volume changes?
 - i. If so, what is that understanding?
 - ii. If not, why did you not review her quantitative results?

USPS/NALC-T1-5. On pages 8-9 of your testimony, you continue asserting the impropriety of using the Juster Scale to adjust for respondent tendency to overstate volume changes.

- a. Are you aware that the Postal Service has cited various articles from the academic literature and examples from professional experience justifying use of the Juster Scale in this proceeding?
 - i. If so, which ones are you aware of?
 - ii. Which of those identified in response to subpart (i) did you examine either personally or through a research associate who reports to you? What is your evaluation of each and how do you reconcile them with your testimony?
 - iii. If not, why did you choose to forgo review any of the authoritative literature cited by the Postal Service and its witnesses? Is it customary in your field to avoid review of pertinent, authoritative literature cited by those whose views you oppose?
- b. What, if any, authoritative sources can you cite in opposition to use of the Juster Scale to adjust for respondent tendency to overstate quantitative survey responses? Please identify each and provide your evaluation of how it applies to support your opinion in opposition to that of witness Elmore-Yalch.

USPS/NALC-T1-6. On page 9 of your testimony you use a hypothetical coin-flipping example involving a request that individuals estimate how many times 100 tosses would show up heads, followed by a question about how likely each would estimate her response is accurate; positing a response to the first question of 50 times and a response to the second as 80 percent.

- a. Please explain how your hypothetical has any bearing upon application of the Juster Scale, which corrects for respondents to overestimate quantitative estimates.
- b. What quantitative estimate is involved that respondents overestimate? In your mind, is the estimate of 50 heads an over-estimate? Is the estimate of 80 percent likelihood an over-estimate?
- c. What is the likelihood in your example that 100 coin flips would result in 50 heads?
- d. What is the likelihood in your example that 40 heads would be the result?

e. Does your hypothetical exemplify, as you assert on pages 9-10, “that the concept of probability is [not] well understood by most survey respondents?”

USPS/NALC-T1-7. Upon what do you rely for your statement on pages 9-10, “I am not convinced that the concept of probability is well understood by most survey respondents.”

- a. Can you cite to any authoritative sources to support your view?
- b. Is it your opinion that market research which asks a respondent for a probability or likelihood is inherently unreliable?
- c. Do you understand that a survey which asks a respondent both who she would vote for and for the likelihood of her voting is:
 - i. not understood by the respondent?
 - ii. not capable of generating meaningful results?
- d. Assuming the survey described in part (c) was undertaken, can you formulate an expectation of whether respondent reports of their likelihood to vote would inform projections of actual results based on who respondents report they would vote for? Please explain the logic behind your response.
- e. Please explain your responses to the extent you have not already done so.

USPS/NALC-T1-8. Please consider the following hypothetical: a survey examines whether some factor is likely to change respondents’ future behavior. For most respondents, that factor will not change projected behavior, while among those for whom the factor will change behavior, some will change a little and some will change a lot. Please explain your understanding of the extent to which confidence intervals constructed (with varying levels of confidence) around the sum of respondents’ responses on the key question will, or will not, contain zero within their ranges. Please articulate any inferences or assumptions upon which you rely in reaching your conclusions.

USPS/NALC-T1-9. On pages 4-5, you assert that “With this approach the intent is clearly to find as small an impact as possible rather than an accurate estimate of the effect. Indeed, to be viable the case needs to support a low number.”

a. Is it your understanding that the market research estimates of lost volume, revenue and contribution are as small as possible? Please explain.

b. How large would the market research results have to be to avoid your characterization of being “as small as possible”? Please explain how you arrive at your conclusion regarding the requisite size.

c. Please identify each and every reason why you think the market research was anything other than an objective and professional effort conducted to the highest standards.

d. Since the market research is fully documented, please identify each specific error you understand the market research team made in the design, fielding, conduct and data processing underlying this market research. Please cite to authoritative sources that teach or describe appropriate market research procedures and techniques to support each of your points.

e. Please describe how the market research should have been designed and conducted so as to avoid creating the problems you claim exist.